

Message Text

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21

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

/088 W

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R 222021Z JAN 76

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8763

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 0620

E.O. 11652: GDS

TAGS: ENRG, EC

SUBJECT: PENDING PRICE INCREASE FOR ECUADOREAN CRUDE OIL

REF: QUITO 0463

1. HIGHLY-PLACED TEXACO-GULF CONSORTIUM EXECUTIVE TOLD EMBOFF THAT ANY PRICE INCREASE FOR ECUADOREAN CRUDE WOULD BE RUINOUS FOR TEXACO-GULF'S PROPOSED INVESTMENT PLAN. SOURCE UNDERSTANDS THAT THE PRICE INCREASE WILL BE ABOUT 10 CENTS A BARREL. (OTHER SOURCES ANTICIPATE AN INCREASE OF 12 CENTS.) THE GOE CLAIMS THE COMING PRICE INCREASE IS NECESSITATED BY APPLICATION OF OPEC DIFFERENTIALS AND IS JUSTIFIABLE IN TERMS OF PARITY WITH VENEZUELAN PRICES.

2. CEPE IS PRESENTLY CONFRONTING CONSIDERABLE MARKET RESISTANCE IN CHILE AND PERU BECAUSE OF OVERPRICING. IN FACT, CEPE HAS ASKED GULF TO PURCHASE SOME OF THE CRUDE THAT WAS ORIGINALLY DESTINED FOR CHILE OR PERU; ALTHOUGH GULF DOES NOT FEEL CEPE'S PRICE WILL BE ACCEPTABLE (DISCUSSIONS ARE UNDERWAY). LOCAL CONSORTIUM EXECUTIVE CLAIMS THAT CEPE'S

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PRICES TO CHILE AND PERU ARE SO HIGH THAT ENAP AND

PETROPERU ARE SWITCHING TO VENEZUELAN SUPPLIES.
HEMENWAY

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NNN

Message Attributes

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Copy: SINGLE
Draft Date: 22 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Margaret P. Grafeld
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04 MAY 2006

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